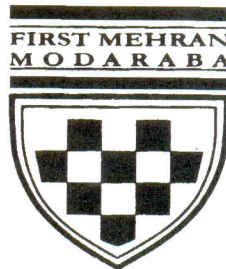


Accounts
For the Quarter Ended
September 30, 2007
(Un-audited)

FIRST MEHRAN
MODARABA



Managed by
TECHNOLOGY VENTURES (PVT) LTD.

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CORPORATE INFORMATION

Board of Directors	Mr. Syed M. Husaini – Chairman Mr. Muhammad Hamidullah Mr. Muhammad Aftab Changi Mr. Mir Mujahid Ali Khan
Chief Executive Officer	Mr. M. Nadeem Ahmed
Company Secretary & Chief Financial Officer	Mr. Mohammad Wajid
Management Company	Technology Ventures (Private) Limited
Auditors	A.F. Ferguson & Co. Member PriceWaterHouseCoopers
Audit Committee	Mr. Syed M. Husaini Mr. Mir Mujahid Ali Khan Mr. Muhammad Hamidullah
Bankers	Habib Metropolitan Bank Limited KASB Bank Limited
Registered Office	5/18 Rimpa Plaza, M.A Jinnah Road, Karachi-74400, Pakistan Telephone: (92-21) 2424616, 2424655 Telefax: (92-21) 2425366 E-Mail: fm@nlcl.net Web: http://www.nlcl.net/fm
Certificate Transfer Office	C&K Management Associates (Private) Limited 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel Karachi – 75530 Telephone: 5687839 – 5685930



Directors' Report

The Board of Directors of Technology Ventures (Private) Limited, the management company of First Mehran Modaraba is pleased to present the Un-audited accounts for the first quarter ended September 30, 2007.

Operating results

	September 2007 Rupees	September 2006 Rupees
Income from operations	108,902	543,484
Capital gains on sale of investments	226,920	1,091,579
Other income	1,167,267	4,012
Net change in fair value of investments	(128,736)	69,530
	<u>1,374,353</u>	<u>1,708,605</u>
Profit before taxation	777,969	1,026,485
Taxation	(7,515)	(8,195)
Profit after taxation	770,454	1,018,290
Earning per Modaraba Certificate	0.09	0.12

The management control of Network Leasing Corporation Limited has been acquired by KASB Capital Limited, by acquiring 53.90% shares of its total issued capital, with the approval of Securities and Exchange Commission of Pakistan vide their letter number SC/NBFC-1/HM/NLCL/2007 dated May 11, 2007. KASB Capital Limited is the local partner of Merrill Lynch and the asset management, brokerage and investment-banking arm of KASB Group.

Network Leasing Corporation Limited holds 97% share holding (485,000 shares) in Technology Ventures (Private) Limited (management company of First Mehran Modaraba) out of total Paid-up capital of 500,000 shares.

Future Outlook

The management and the Board is in process of preparing a revival plan for the Modaraba, their main emphasis is on up-gradation of existing software, redesigning of internal control system and procedures. The management is embarking on a plan, which will create business depth, introduce new profits and enhance profitability on a sustained basis.

A formal request for change of name of Modaraba has been submitted before the Registrar Modaraba.

Acknowledgement

The Board wishes to place on record its appreciation for the dedication and hard work put in by officers and staff of the Modaraba. The Board also expresses its appreciation for the guidance and support provided by the Registrar of Modaraba, Securities and Exchange Commission of Pakistan (SECP).

We owe special gratitude to our certificate holders and the clients for their kindness and support.

For and on behalf of the Board.

Syed M. Husaini

Chairman

Karachi.

October 27, 2007

BALANCE SHEET
AS AT SEPTEMBER 30, 2007



	Note	(UN-AUDITED)	(AUDITED)
		SEPTEMBER 2007	JUNE 2007
--- R U P E E S ---			
CURRENT ASSETS			
Cash & bank balances		45,065,474	42,795,347
Investments	3	5,875,942	5,476,520
Musharika finance		640,000	640,000
Advances, deposits, prepayments and other receivables		1,114,784	2,705,578
Current portion of net investment in lease finance	4	1,041,835	1,493,680
		53,738,035	53,111,125
NON-CURRENT ASSETS			
Net investment in lease finance	4	279,341	282,525
Long term deposits		25,000	115,000
Deferred tax asset		650,000	650,000
Fixed assets		502,460	556,209
Intangible asset		40,501	49,501
		1,497,302	1,653,235
TOTAL ASSETS		55,235,337	54,764,360
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		517,844	361,844
Current maturity of obligation under finance lease		-	220,998
Taxation		7,515	-
Current maturity of lease deposit		545,000	500,500
Unclaimed profit distribution		314,472	314,472
		1,384,831	1,397,814
NON-CURRENT LIABILITIES			
Deposits on lease contracts		24,750	74,750
Obligation under finance lease		-	264,264
Deferred liability - Staff gratuity		182,650	128,007
Deferred income		-	26,873
		207,400	493,894
TOTAL LIABILITIES		1,592,231	1,891,708
NET ASSETS		53,643,106	52,872,652
Contingencies and commitments			
Represented By			
Capital and reserves			
Certificate capital		83,160,000	83,160,000
Statutory reserve		8,887,649	8,733,559
Accumulated loss		(38,404,543)	(39,020,907)
		53,643,106	52,872,652

Chief Executive

Director

Director



PROFIT AND LOSS ACCOUNT

AS AT SEPTEMBER 30, 2007

(UN-AUDITED) SEPTEMBER 2007	(UN-AUDITED) SEPTEMBER 2006
--- R U P E E S ---	

Income from operations	108,902	543,484
Capital gain on sale of marketable securities	226,920	1,091,579
Other income	1,167,267	4,012
Net change in fair value of investments	(128,736)	69,530
	1,374,353	1,708,605
 Expenses		
Administrative and operating expenses	486,719	549,349
Financial charges	23,224	18,718
	509,943	568,067
Operating profit	864,410	1,140,538
Modaraba management fee	(86,441)	(114,053)
Profit before taxation	777,969	1,026,485
Taxation		
- Current	(7,515)	(8,195)
Profit after taxation	770,454	1,018,290
Appropriation		
Transfer to statutory reserve	(154,090)	(203,658)
	616,364	814,632
Accumulated loss brought forward	(39,020,907)	(40,802,385)
Accumulated loss carried forward	(38,404,543)	(39,987,753)
 Earning per Modaraba certificate - basic and diluted	0.09	0.12

Chief Executive

Director

Director

CASH FLOW STATEMENT
AS AT SEPTEMBER 30, 2007



(UN-AUDITED) (UN-AUDITED)
SEPTEMBER 2007 **SEPTEMBER 2006**
--- R U P E E S ---

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	777,969	1,026,485
Adjustment for non cash expenses and other items		
Dividend income	(5,816)	(77,373)
Capital gain	(226,920)	(1,091,579)
Net change in fair value of investments held for trading - net	128,736	(69,530)
(Gain) on sale of fixed assets	(14,999)	-
Deferred income	(26,873)	(3,840)
Depreciation	53,749	55,336
Amortization	9,000	10,875
Provision for staff gratuity	81,318	18,719
Provision for potential lease losses	59,171	-
Financial charges	23,224	18,718
	80,590	(1,138,674)
Operating profit before changes in operating assets and liabilities	858,559	(112,189)
Decrease in net investment in lease finance	540,839	309,908
Musharika finance	-	1,341,958
Decrease/(Increase) in advance, deposits, prepayments and other receivables	1,946,420	(1,988,302)
Decrease in security deposit on leases contracts	(5,500)	-
Increase in creditors and other liabilities	72,000	79,878
	2,553,759	(256,558)
Net cash flows from operations	3,412,318	(368,747)
Tax paid	(96,330)	(20,408)
Financial charges	(23,224)	(18,718)
Gratuity paid	(26,675)	-
	(146,229)	(39,126)
Net cash flows from the operating activities	3,266,089	(407,873)

CASH FLOWS FROM INVESTING ACTIVITIES

Sale proceeds from fixed assets	15,000	-
Dividend received	5,816	77,373
Purchase of investments	(7,548,008)	-
Sale of investments	7,016,492	17,866,652
Net cash used in investing activities	(510,700)	17,944,025

CASH FLOWS FROM FINANCING ACTIVITIES

Obligation under finance lease	(485,262)	(47,012)
Net cash flow from financing activities	(485,262)	(47,012)
Net increase in cash and cash equivalent	2,270,127	17,489,140
Cash and cash equivalent at beginning of the period	42,795,347	11,104,512
Cash and cash equivalent at the end of the period	45,065,474	28,593,652

Chief Executive

Director

Director



STATEMENT OF CHANGES IN EQUITY
AS AT SEPTEMBER 30, 2007

	Certificate Capital	Statutory Reserve	Accumulated loss	Surplus / (Deficit) on revaluation of investment	Total
	----- R U P E E S -----				
Balance as at June 30, 2006	83,160,000	8,288,189	(40,802,385)	37,800	50,683,604
Profit for the quarter ended September, 2006	-	-	1,018,290	-	1,018,290
Transfer to statutory reserve	-	203,658	(203,658)	-	-
surplus on revaluation of available for sale - net	-	-	-	(305,800)	(305,800)
Balance as at September, 2006	<u>83,160,000</u>	<u>8,491,847</u>	<u>(39,987,753)</u>	<u>(268,000)</u>	<u>51,396,094</u>
Balance as at June 30, 2007	83,160,000	8,733,559	(39,020,907)	-	52,872,652
Profit for the quarter ended September, 2007	-	-	770,454	-	770,454
Transfer to statutory reserve	-	154,090	(154,090)	-	-
Balance as at September, 2007	<u>83,160,000</u>	<u>8,887,649</u>	<u>(38,404,543)</u>	<u>-</u>	<u>53,643,106</u>

Chief Executive

Director

Director

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2007



1. STATUS AND NATURE OF BUSINESS

First Mehran Modaraba is a multipurpose perpetual Modaraba registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by Technology Ventures (Private) Limited, a company incorporated in Pakistan. Network Leasing Corporation Limited holds 485,000 (2007:485,000) shares in Technology Ventures (Private) Limited out of 500,000 shares. Network Leasing Corporation Limited has been acquired by, KASB Capital Limited, by acquiring 53.90% of its total issue, with the approval of Securities and Exchange Commission of Pakistan vide letter # SC/NBFC-1/HM/NLCL/2007 dated May 11, 2007. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

The Accounting policies and method of computation adopted for the preparation of these interim accounts are the same as were applied in the preparation of the preceding annual financial statement of the Modaraba for the year ended June 30, 2007.

2.2 Basic of preparation of financial statements

These financial statements are un-audited and have been prepared in accordance with requirement of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 (the Modaraba Regulations) and directive issued by the Securities and Exchange Commission of Pakistan together with the approved accounting standards as applicable in Pakistan to Modaraba. Approved Accounting Standard comprise such International Accounting Standards as notified under the provision of the Companies Ordinance, 1984 and made applicable to Modarabas under the Modaraba Regulations. The disclosure made in these financial statements have however been limited, based on the requirements of the International Accounting Standard (IAS-34), Interim Financial Reporting.

	(UN-AUDITED)	(AUDITED)
Note	SEPTEMBER 2007	JUNE 2007
	--- R U P E E S ---	

3 Investments

Held for trading

- Term finance certificates	3.1	3,895,263	5,349,375
- Marketable securities	3.2	1,980,679	17,989,672
		5,875,942	23,339,047

3.1 Term finance certificates

	(UN-AUDITED)		(AUDITED)	
	September	September	June	June
	2007	2007	2007	2007
Market Value	Cost	Market Value	Cost	
	Rupees	Rupees	Rupees	Rupees
3.1.1 Al- Zamin Leasing Modaraba	877,200	877,200	877,200	802,638
3.1.2 Trust Leasing Corporation Limited	3,018,063	3,018,063	3,018,063	2,807,500
	3,895,263	3,895,263	3,895,263	3,610,138



3.2 Marketable Securities

These securities are of Rs 10 each unless stated otherwise.

Number of Shares/ Certificates		Name of Companies/Institutions	Market Value	
Un-audited September 30, 2007	Audited June 2007		Un-audited Sept. 30, 2007 Rupees	Audited June 2007 Rupees
81,000	81,000	<u>Commercial Banks</u> J S Bank	1,425,600	1,559,250
19,200	19,200	<u>Textile Weaving</u> Saleem Denim Industries Limited *	19,200	19,200
1,021	1,021	<u>Jute</u> Crescent Jute Products Limited	3,879	2,807
2,000	-	<u>Oil & Gas Exploration Companies</u> Pakistan Petroleum Limited	532,000	-
103,221	101,221		1,980,679	1,581,257

*The above shares have not been transferred in the name of Modaraba and are held on the basis of verified transfer deeds.

		(UN-AUDITED) SEPTEMBER 2007	(AUDITED) JUNE 2007
	Note	--- R U P E E S ---	
4	Net investment in lease finance		
	Lease rentals receivable	828,750	1,286,765
	Estimated residual value of leased assets	569,750	575,250
	Installment contract receivable	4.1 1,398,500	1,862,015
	Less: Unearned lease income	(59,837)	(85,810)
	Less: Income suspended	(17,487)	-
	Net investment in lease finance	4.2 <u>1,321,176</u>	<u>1,776,205</u>
	4.1 Installment contract receivable		
	Due within one year	1,104,550	1,557,250
	Due after one year but not later than five years	293,950	304,765
		<u>1,398,500</u>	<u>1,862,015</u>
	4.2 Net investment in lease finance		
	Due within one year	1,041,835	1,493,680
	Due after one year but not later than five years	279,341	282,525
		<u>1,321,176</u>	<u>1,776,205</u>

5 Date of Authorization

These financial statement were authorized for issue by board of directors of the Management Company on October 27, 2007.

6 General

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Director

Book Post

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Certificate
of
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FIRST MEHRAN MODARABA

*5/18, Rimpa Plaza, M.A. Jinnah Road, Karachi-Pakistan.
Tel: (92-21) 2424616-2424655, Fax: (92-21) 2425366
E-mail: fmm@nlcl.net, Website: www.nlcl.net/fmm*